



TO WHAT EXTENT DO STUDENT NGOS RECEIVE INSUFFICIENT FUNDING AS OPPOSED TO PUBLICLY CERTIFIED NGOS IN HYDERABAD, INDIA?

Anwisha Reddy

Research Scholars Program, Harvard Student Agencies, In collaboration with Learn with Leaders

ABSTRACT

Background: This paper examines the funding disparities between publicly certified NGOs and student-led NGOs in Hyderabad, India, and evaluates their respective impacts on social development. Publicly certified NGOs, registered as Section 8 companies, enjoy access to government funding and corporate social responsibility (CSR) funds. In contrast, student NGOs face limitations in obtaining financial resources, hindering their operational efficiency. A mixed-methods approach was employed to analyze the funding landscape, using primary data from surveys and interviews with student entrepreneurs and companies engaged in CSR funding as well as secondary data from acclaimed NGOs' balance sheets. The results highlight the criteria for government and CSR funding, demonstrating how student NGOs are excluded from major funding opportunities due to registration requirements and limited funding allocation in certain sectors. Furthermore, a comparison between student NGOs and publicly certified NGOs based on factors such as experience and expertise, organizational capacity, networking and partnerships, and accountability and transparency reveal notable similarities and differences. The analysis emphasizes the potential of student NGOs, despite resource constraints, to make a tangible impact in their respective areas of focus. Lastly, the paper presents a forecast for student NGOs, showcasing their potential for scalability and resource maximization if provided with adequate funding. Overall, this study sheds light on the funding disparities faced by student NGOs and highlights the need for equitable support to harness their full potential in driving social change.

KEYWORDS: Student NGOs, funding, Resource Maximization

INTRODUCTION

While NGOs (Non-Governmental Organizations) bring about significant social impact in metropolitan cities of India, such as Hyderabad, most 'acclaimed' NGOs that are recognized for their work are compelled to be registered as Section 8 companies. Establishing a Section 8 company entails that the company partakes in charitable/non-profit objectives and, more importantly, has austere laws applicable to registering as a certified Indian NGO that most student NGOs do not qualify for. Due to their lack of "credible" status, government funding and CSR (Corporate Social Responsibility) funding for student NGOs are also limited. This calls for concern to validate the impact that student NGOs might bring about since they are provided with insufficient resources and may not achieve maximum efficiency with their endeavors. This paper will emphasize these funding disparities and establish a formidable comparison between 'publicly certified' and 'student-led' NGOs.

METHODOLOGY

To comprehensively analyze the NGO funding landscape in Hyderabad, a mixed-methods approach was employed, i.e., a variety of primary and secondary sources were consulted to a quantitative and qualitative degree. The study uses qualitative primary data, such as surveys and interviews of student entrepreneurs and their opinions on the misallocation of resources for student NGOs and interviews with companies that indulge in CSR funding, to understand the rationale behind the charities they choose to support. Secondary data, such as the balance sheets of acclaimed NGOs, are compared with those of student NGOs to elucidate the discrepancies between the provisions of resources in the two categories and how this may abridge the tangible impact that student organizations could have made

RESULTS

Criteria for Funding

• Government Funding

While government funding is the backbone of many acclaimed NGOs, other NGOs rely on fundraisers to raise adequate funds for carrying out activities, although the amount raised is not as significant. The T-Social Impact Group (TSIG), a government body, is a platform that aims to create an inclusive ecosystem in the state of Telangana by employing, supporting, and funding CSR practices. Upon analysis of the TSIG CSR process, the linking of an NGO with a company willing to fund is based on the categories of sector, scale, and maturity. 'Maturity' for NGOs according to the TSIG validation process requires a preexisting minimum financial capacity for operations, government registration of the organization, and a minimum number of beneficiaries, amongst other requirements. As aforementioned, registration of NGOs/Section 8 companies, requiring an enormous financial undertaking and authoritative affirmation, is not easily achievable for students. Therefore, student NGOs are void of participation in groups such as TSIG, limiting funding opportunities for their operations ("Home T-SIG: A Consortium of Telangana State's Social Impact Partners").

The NGO DARPAN portal by the government of India is another example of the limitations of government funding in the NGO sector. The government created the online portal, NGO DARPAN, to facilitate healthy partnerships between NGOs and the Government of India and expedite financing. However, the criteria for funding, paralleled to the TSIG - "NGOs require an NGO certificate to qualify for FCRA registration and apply for additional government permissions" - renders students to surrender their opportunity to be beneficiaries (How Does an NGO Get Funding in India?).

• CSR Funding

Corporate Social Responsibility funds in Hyderabad are inadvertently limited. According to CSR data in Hyderabad districts, the districts of Jagtial and Mulugu did not receive any CSR funds during the five-year period. Additionally, it was alarming that district Peddapalli saw spending of only Rs. 2 lakhs while Warangal Rural registered expenditure of just Rs. 30 lakhs through CSR funds. Not limited to Hyderabad, the Indian Government mandates that 33% of CSR funding is allocated to Swachh Bharat and other government-associated projects (IndiaCSR, 2023).

Through the culmination of data modeling the rest of the CSR funding, it is observed that major contributors such as Gland Pharma, MSN Laboratories, Deccan Fine Chemicals, etc. are inclined to invest in the healthcare and education sectors as opposed to other areas. Furthermore, the funding trends of such entities reveal a pattern amongst the projects that corporations, as such, choose to invest in.

Comparing the different projects/companies that CSR funding is attributed to (namely the Charminar Pedestrianization Project, Swachh Auto Tippers, and LVPEI), it was found that funding decisions are primarily determined by the projects that fit a certain criteria. This criteria includes experience and expertise, organizational capacity, accountability and transparency, networking and partnerships, and stability.

Comparison of student NGOs and publicly certified NGOs

Based on the criteria outlined above, a comparison of student NGOs and publicly certified NGOs was carried out using methods outlined in the methodology section to buttress the validity of student NGOs. Comparisons between acclaimed NGOs and student-led NGOs can be valid on the basis of their core aims. Two organizations working in the same industry and tackling the same non-profit motive can be analyzed against each other based on the above criteria. This makes their 'purpose' the controlled variable, whereas the access to resources of each type of NGO and their relative impact on the said cause are recorded and are variable.

• Experience and Expertise

NGOs, often classified as CBOs (Community Based Organisations), Citywide Organisations, National NGOs, and International NGOs by the government, are classified as impactful, sometimes on the sole basis of experience and expertise. According to Bourne et al. (2014), 'expertise' can be defined as elite or high levels of performance in a given domain, and 'experience' is the accumulation of past interactions with cases and relationships in thought, affecting future behavior, delving into the operations done in the past and the roadmap for the future, in the case of NGOs.

With the aim of environmental sustainability, the NGO Council for Green Revolution, founded in 2010, is a publicly registered NGO, while ClimSci, founded in 2021, is a student NGO. ClimSci aims to help people understand what the meaning of climate science truly is, providing the subject with the required awareness, while the Council for Green Revolution works towards pressing environmental issues in order to provide environmental awareness to issues such as rapid erosion of greenery (CGR India, 2022).

	ClimSci	Council for Green Revolution
Interactions	Direct Interactions through ClimSci conference and Climate Journal: 25,000 Indirect Interaction through partner websites and official partners: 300,000	As of April 2018, CGR's work reached 12,485 villages in 14 districts in both states through its flagship program of massive tree plantations of 32,23,632 saplings, involving 3,538 schools and 9,23,115 students.
Operations	ClimSci Conference: A conference with ideathons, debates, and a speaker series of highly coveted individuals in the climate science discipline to further the aim of increasing climate awareness. Climate Spectrum: Climate related research journal curating student articles related to future climate pursuits	Massive Tree Plantation: Green Mission Udyamam is a massive tree plantation initiative by CGR to restore green cover and ecological balance in semi-arid areas GrACE: GrACE was launched by CGR to provide an ideal platform for a national level broad spectrum movement for the protection of the unique bio-geosphere CELS: The Earth Centre, proposed by Council for Green Revolution (CGR), is an independent think tank and premier environmental education and research SDG: At the United Nations Sustainable Development Summit in September 2015, world leaders from more than 150 countries adopted the new SDG 2030

Figure 1: Table comparing two climate NGOs based on experience and expertise

According to Figure 1, the organizations' expertise and experience based on the outlined factors are compared between the two organizations. The two organizations reach a commendable number of beneficiaries, with a total of 300,000 interactions for ClimSci and more than 4,000,000 beneficiaries for the Council for Green Revolution. Although, cumulatively, CGR has more working operations, ClimSci parallels its expertise, having only 2 years of experience as opposed to the 13 years that CGR has been running. The growth rate of both ventures is equivalent, at around 18-24% per year in active participants, thereby providing evidence for the comparable experience and expertise of both the student NGO and the certified NGO.

Organisation	Operation	Estimated Impact	Interactions/Impact
Solo	Solo Magazine	80+ Magazines sold	150+ sold magazines
You're Worthy	'You're Worthy' social media presence	2000+ Interactions	19,000+ interactions on the platform
Avinya Foundation	Food donation drive in Bidar	30-40 people receive meals	100+ homeless people received food
Incredible Art	E-commerce sales platform	70-80 thousand worth of orders during the first year of business.	3.5 lakhs worth of orders procured through the e-commerce site

Figure 2: Table analysing interaction with various student NGOs

A similar interaction analysis was carried out with other student NGOs and their primary operations, showcasing that in all cases, the impact created through the venture surpasses the estimated impact calculated by NGOs based on secondary research and randomized experimentation. This serves as evidence that student NGOs are experienced on the basis of interactional relationships through their products.

• Networking and Partnerships

The keyword 'relationships' that emerges with an organization can be measured by the meaningful partnerships that the

organization partakes in to enhance the impact of their activities. The benefits of networking include an increase in productivity and the overall skillsets possessed by the organization, leading to business growth and a competitive edge in the industry. Networking, in fact, goes hand-in-hand with expertise, since additions to the team can result in developing the capacities of the organization. Taking into account data collected from 50 enterprises in India, statistical methodologies such as ANOVA and multiple comparison tests show that in most of the partnership businesses, the partners were satisfied with each other and increased their efficiency as corporations in addition to their business turnover (Evans, 2016).

Taking into account the studied increase in tangible impact through meaningful partnerships, the efficiency of student NGOs and acclaimed NGOs can be solidified by taking into account the partnerships they are engaged with. The case study of Avinya Foundation, a student NGO based in Hyderabad aiming to promote social development, welfare, and charity, utilizes its partnerships in order to maximize the productivity of its operations and optimize resources. The foundation partnered with fellow student NGO Whelvie, an organization aimed at raising funds for women and children, in order to start the initiative (*“Wheve x Avinya Donation Drive”*). Using the resource contacts of the Avinya Foundation and the longstanding relationships with orphanage homes that Whelvie possesses, the two organizations plan to use their partnership to make a collective reach of 2000+ women and children. Contrasting this, Kriti was registered as a Public Charitable Trust in 2009. Having a section 12A exemption from the Income Tax Department, 80G certification for donors to claim tax exemption on their donations, and FCRA registration enables the organization to receive funds from abroad. For Kriti, 'partnerships' involves the ability to contact foreign partners for funding their ventures, such as Project Milan. Project Milan is a skill-building program that strives to empower women and the community at large (Kriti.org, 2019). In the working year of 2021-2022 the project impacted 349 women through their self-employed tailor course and 129 women through their mehendi course, funded by various investors. Additionally, tailoring had five training centers in FY21-22 in the slums of Tolichowki, Singareni Colony, Mallepally, Rasoolpura, and Talabkatta. To ascertain the efficiency of partnerships in the two cases, networking must be evaluated on the basis of both expertise/experience and the organizational capacity discussed above. While Kriti quantitatively has more capital with which its projects can take place, Avinya Foundation's beneficiaries are higher in number. Finally, it can be deduced that partnerships can provide NGOs (student or acclaimed) with an advantage in the industry, thereby increasing their expertise, although student NGOs have lower organizational capacity due to their lack of resources (Page, 2022).

Student NGO Forecast

Accountability and transparency, one of the factors by which the validity of NGOs can be measured, might be lucid through their resource maximization forecast. This section of the paper delves into the potential scale that student NGOs can attain in the scenario where they are given the required funding.

Student NGO	Desired outcomes achieved with up to a \$1000 funding
You're worthy	'You're Worthy' will use funds to launch You're FIT, an AI -powered website focusing on cognitive approaches to mental health, thereby increasing target interactions whilst also inculcating fitness experts

Avinya Foundation	Avinya Foundation will maximize funds and use them to expand their impact through a collaborative fundraising event at a credible NGO level by hiring industry experts for event planning.
Incredible Art	Incredible art will utilise funds for SEO optimization and user-friendly interface upgrades to ensure more consumers buy rural artisans' products and hire technology management for
Solo	Solo plans to use funds to support the Rainwater project based in Hyderabad, which pertains to the renovation of low -income schools.

Survey outlining predicted forecast for various student NGOs

Figure 3 emphasizes the institutional capacity that various student NGOs hold in terms of the ventures they may carry out in the absence of adequate financial backing. Culminating the results, the student NGOs are able to meet the requirements to qualify for formal NGO registration: students are now able to achieve organizational authority through the industry experts that they will be occupying while also having the potential to expand their team to meet the regular NGO requirement.

CONCLUSION

This research paper has examined the funding disparities between publicly certified NGOs and student-led NGOs in Hyderabad, India, and evaluated their respective impacts on social development. The findings highlight the criteria for government and CSR funding, demonstrating how student NGOs are excluded from major funding opportunities due to registration requirements and limited funding allocation in certain sectors. The analysis also compared student NGOs and publicly certified NGOs based on factors such as experience and expertise, organizational capacity, networking and partnerships, and accountability and transparency.

The results reveal that, despite resource constraints, student NGOs have the potential to make a tangible impact in their respective areas of focus. Through various case studies and interactions with student entrepreneurs, it was observed that student NGOs have successfully engaged in meaningful partnerships, developed expertise through their interactions, and achieved significant levels of impact. The comparison with publicly certified NGOs showed that student NGOs can attain comparable levels of experience and expertise, even though they may have lower organizational capacity due to resource limitations.

The research also sheds light on the funding landscape, showing the limitations faced by student NGOs in accessing government and CSR funds. Registration requirements and sector-specific funding allocations restrict the opportunities available to student NGOs, hindering their operational efficiency and growth. This highlights the need for equitable support and funding opportunities to harness the full potential of student NGOs in driving social change.

Based on the findings, it is evident that student NGOs have the potential for scalability and resource maximization if provided with adequate funding. Their demonstrated impact, coupled with their ability to form partnerships and develop expertise, positions them as valuable contributors to social development. Therefore, it is crucial for policymakers, government bodies, and corporate entities to recognize the importance of supporting and empowering student-led NGOs through accessible funding

mechanisms and streamlined registration processes.

REFERENCES

1. Singhvi, D. (2021) "Section 8 Company: Laws Applicable to an NGO - Learn by Quicko." Learn by Quicko, 5 May, learn.quicko.com/section-8-company-laws-applicable-to-an-ngo.
2. "Home T-SIG: A Consortium of Telangana State's Social Impact Partners." T-SIG :: A Consortium of Telangana State's Social Impact Partners -, 8 Nov. 2021, csr.telangana.gov.in.
3. ClearTax. "How Does an NGO Get Funding in India?" How Does an NGO Get Funding in India?, 16 Dec. 2022, cleartax.in/s/how-ngo-get-funding-india.
4. Journal, The CSR. "Top CSR Projects in Hyderabad - the CSR Journal." The CSR Journal, 18 Nov. 2022, thecsrjournal.in/top-csr-projects-in-hyderabad.
5. "Lack of CSR Spending in Telangana: An Alarming Concern for Social Development." India CSR, 28 Mar. 2023, indiacr.in/lack-of-csr-spending-in-telangana-an-alarming-concern-for-social-development
6. "About Us – CGR INDIA." About Us – CGR INDIA, cgrindia.org/about-us.
7. E. Bourne, Jr. Lyle, et al. "Expertise: Defined, Described, Explained." PubMed Central (PMC), 4 Mar. 2014, doi:10.3389/fpsyg.2014.00186.
8. Evans (2016) "Is My NGO Having a Positive Impact?" World Bank Blogs, 3 Feb, blogs.worldbank.org/impactevaluations/my-ngo-having-positive-impact.
9. "What Is Experience | IGI Global." What Is Experience | IGI Global, www.igi-global.com/dictionary/organizing-learning-processes-of-co-production/10531.
10. "Top 12 Benefits of Networking: Why Networking Is Important, Michael Page", (2022) www.michaelpage.com.au/advice/career-advice/career-progression/top-12-benefits-networking-why-networking-important.
11. Kriti.org (2019) "Working with Government Schools to Improve Quality Education." Working With Government Schools to Improve Quality Education, www.kriti.org.in/project_milan.html.